SEP 27 2012

# STATE OF ARIZONA

# DEPARTMENT OF INSURANCE

DEFT	OF HISHRANCE
BY _	32_

In the Matter of:	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
III tilo Mattol oli	) No. 12A- 136- INS
BONDWRITER SOUTHWEST INC	)
(Arizona License Number 810641)	ý
and SPARKS, DAVID GLEN	)
(Arizona License Number 736439)	)
(National Producer Number 684339)	)
·	) CONSENT ORDER
Respondents.	)
	)
	)

The State of Arizona Department of Insurance ("Department") has received evidence that Bondwriter Southwest Inc and David Glen Sparks ("Respondents") violated provisions of Title 20, Arizona Revised Statutes. Respondents wish to resolve this matter without the commencement of formal proceedings, and admit the following Findings of Fact are true and consent to entry of the following Conclusions of Law and Order.

### FINDINGS OF FACT

- 1. Bondwriter Southwest Inc ("Bondwriter") is, and was at all material times. licensed as an Arizona resident casualty and property insurance producer, Arizona license number 810641, which expires on June 30, 2016.
- 2. Bondwriter's address of record is: 9191 W. Thunderbird Rd. #101, Peoria. Arizona 85381 (business).
- 3. David Glen Sparks ("Sparks") is, and was at all material times, licensed as an Arizona resident casualty and property insurance producer, Arizona license number 736439, which expires on November 30, 2012.

1

2

4

5

6

7

8

9

10 11

12

13

14

15

16

17

18

19

20

21

22

23

 4. Sparks' addresses of record are: c/o Bondwriter Southwest Inc, 9191 W. Thunderbird Rd., #101, Peoria, Arizona 85381 (business); and 4707 N. Litchfield Knoll, Litchfield, Arizona 85340 (mailing and residence).

- 5. Sparks is the President and a Designated Responsible Licensed Producer for Bondwriter.
- 6. On or about February 19, 2007, Bondwriter's Errors and Omissions policy number OPC1100592 with Rockwood Programs, Inc. ("Rockwood") expired. On November 29, 2006, Rockwood sent a Notice of Non-Renewal to the Respondents.
- 7. Respondents could not renew the Rockwood Errors and Omissions policy and did not obtain Errors and Omissions with any other carrier.
- 8. On or about August 9, 2009 and again on or about August 6, 2012, Sparks altered and submitted a false Declaration of Insurance with Rockwood to Old Republic Surety Company.

### **CONCLUSIONS OF LAW**

- 1. The Director has jurisdiction over this matter.
- 2. Respondents' conduct, as described above, constitutes intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance, in violation of A.R.S. § 20-295(A)(5).
- 3. Respondents' conduct as described above constitutes using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or otherwise, in violation of A.R.S. § 20-295(A)(8)
- 4. Grounds exist for the Director to deny, suspend for not more than twelve months, revoke, or refuse to renew an insurance producer's license, impose a civil penalty and/or order restitution pursuant to A.R.S. §§20-295(A) and (B).

21

22

23

5. Grounds exist for the director to impose a civil penalty of not more than two thousand five hundred dollars for each intentional violation, up to an aggregate civil penalty of fifteen thousand dollars pursuant to A.R.S. §§20-295(F)(2).

#### ORDER

IT IS HEREBY ORDERED THAT:

Respondent shall immediately pay a civil penalty of \$1000.00 for deposit into the 1. State General Fund.

DATED AND EFFECTIVE this 27 day of September 2012.

Acting Director of Insurance

### CONSENT TO ORDER

- 1. Respondents have reviewed the foregoing Findings of Fact, Conclusions of Law and Order.
- 2. Respondents admit the jurisdiction of the Director of Insurance, State of Arizona, and admit the foregoing Findings of Fact and consent to the entry of the foregoing Conclusions of Law and Order.
- Respondents are aware of their right to notice and a hearing at which they may 3. be represented by counsel, present evidence and examine witnesses. Respondents irrevocably waive their right to such notice and hearing and to any court appeals relating to this Consent Order.
- 4. Respondents state that no promise of any kind or nature whatsoever, except as expressly contained in this Consent Order, was made to them to induce them to enter into this Consent Order and that they have entered into this Consent Order voluntarily.

Steve Fromholtz, Licensing Supervisor

Charles Gregory, Investigations Supervisor

23

Randy Markham, Investigator Department of Insurance 2910 North 44<sup>th</sup> Street, Suite 210 Phoenix, Arizona 85018 Curvey Walters Burton